

ASTORIA PLYWOOD  
CORPORATION  
ASTORIA, OREGON

CHARTER  
AND  
BY-LAWS

INCORPORATED AT  
LONGVIEW, WASHINGTON  
FEBRUARY 18, 1951



## TO ALL STOCKHOLDERS:

*This copy of the By-Laws, and the Articles of Incorporation, is provided for your personal information and guidance, and*

*The information contained therein should be considered a strictly confidential part of this business in which all of us have such an important stake.*

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*This Edition contains amendments as of December 31, 1966.*



# ARTICLES OF INCORPORATION

## Article I

The name assumed by this corporation and by which it shall be known shall be ASTORIA PLY-WOOD CORPORATION.

## Article II

The objects and purposes for which the corporation is formed are and shall be: To engage in the general business of planting, growing, managing, harvesting, processing, manufacturing, marketing, buying and selling all forest products and by-products derived therefrom; to acquire, purchase, lease, grant, bargain, sell and convey, manage or otherwise dispose of real, personal and mixed property of every name, nature and description; to borrow money, and to make, execute and deliver its promissory note or notes therefor, and for the purpose of securing the same or any indebtedness of the company, to mortgage or pledge its real and/or personal property or any part thereof; to erect, construct or maintain buildings, docks, booms, machinery and devices of all kinds as may be deemed necessary or convenient to carry out the purposes and objects herein enumerated; to buy, own, hold, vote, or sell, capital stock in other corporations; to engage in the general business of buying and selling goods, wares and merchandise of any and all kinds; to act as agent for other persons, firms or corporations, in the purchase, sale and management of real and personal property; to lend money to customers and other persons having dealings with the corporation and to guarantee the performance of contracts by such other persons; to enter into partnership or enter into any arrangement for sharing of profits with any person, firm or corporation engaged in any business or transaction capable of being conducted so as directly or indirectly to benefit this corporation, and in general to exercise all of the powers conferred by laws of the State of Washington upon business corporations, and to do and perform all things which are necessary, suitable, useful or advisable for the accomplishment of any of the objects and purposes hereinbefore set forth.

### **Article III**

The time of existence of this corporation shall be perpetual.

### **Article IV**

The principal office and place of business of this corporation shall be at the City of Longview, Cowlitz County, Washington, and the registered office of said corporation in the State of Washington shall be room 206, National Bank of Commerce Bldg., Longview, Washington.

### **Article V**

The amount of the capital stock of this corporation shall be the sum of \$1,300,000.00 divided as follows: \$1,000,000.00 thereof shall be common stock and \$300,000.00 thereof shall be preferred stock.

The common stock shall be divided into one thousand shares of the par value of \$1,000.00 per share.

The preferred stock shall be divided into twelve thousand shares of the par value of \$25.00 per share. Preferred stock shall be entitled to dividends at the rate of eight per cent per annum, and said dividends shall be paid semi-annually on the first day of January and July of each year. The dividends on preferred stock shall be cumulative. The corporation shall have the right to retire said preferred stock issue, or any part thereof, at any time after January 1, 1957 by paying \$27.00 per share therefor, together with all accrued dividends.

So long as the corporation is not in default in the payment of dividends on preferred stock, such preferred stock shall not have voting rights; provided, however, that should the corporation fail to pay preferred stock dividends for three semi-annual periods, then the preferred stock as well as the common stock shall have voting rights as follows: the owners of preferred stock shall have one vote for each \$1,500.00 of par value of preferred stock owned by him, with fractional proportionate votes to persons owning more or less than \$1,500.00 par value. Such preferred stock shall continue to have voting rights until all past due dividends have been paid in full. Common stock shall have one vote for each five shares owned. So long as the corporation is in default in the payment of dividends on preferred stock, employees of



the corporation who are the owners of common stock therein shall not be paid wages in excess of the average wage paid for similar work in non-cooperative plywood plants situate in the States of Oregon and Washington. In case of voluntary or involuntary dissolution of the corporation, owners of preferred stock shall be paid in full before any payments are made to the owners of common stock.

## Article VI

That the affairs of the company to be managed by a Board of Directors consisting of not less than seven (7) shareholders.

Method and manner of election of Directors and term of office thereof shall be in accordance with the charter and by-laws of the company.

## Article VII

The names and addresses and the number of shares subscribed by each of the incorporators hereof are as follows:

N. H. Jacobson	Kalama, Washington	5
Harold Jones	Rt. 2, Box 484, Kelso, Wash.	5
Z. G. Hesselgesser	Rt. 2, Box 484, Kelso, Wash.	5

## Article VIII

The amount of paid in capital with which the corporation will commence business is the sum of Five Thousand and no/100 Dollars (\$5,000.00).

## Article IX

Voting rights are limited to shareholders owning at least five (5) shares of stock, and in no case shall any shareholder have more than one vote, although he may actually own more than five shares. PROVIDED, in voting for directors each shareholder shall have one vote for each director to be elected, but shall not cast more than one vote for any one candidate.

Any shareholder who has fully paid for four (4) shares of stock and who has, in writing and in accordance with the terms of the stock subscription agreement, authorized the company to deduct the purchase price of an additional share from his wages

on an installment basis, shall be deemed to be an owner of five shares of stock.

Neither women shareholders nor shareholders owning less than five shares of stock shall be eligible for employment by the company as working shareholders.

Before a share of stock may be sold or transferred outside the immediate family of the shareholder, it must first be offered to the company on the same terms as a written bona fide offer obtained by the shareholder. By-laws may be adopted to provide a method of carrying out this provision.



**By-Laws  
of the  
Astoria Plywood  
Corporation**



# **BY - LAWS**

## **of the**

### **Astoria Plywood Corporation**

In accordance with the Articles of Incorporation, the Astoria Plywood Corporation does hereby adopt the following code of by-laws for said corporation:

#### **Section I**

The purposes for which this corporation is formed are set forth in the Articles of Incorporation of the corporation.

#### **Section II**

##### **Who shall be a Member**

(a) Any person who is approved by a majority of the directors may become a working member and shall own at least five (5) shares of stock of the corporation.

Before a share of stock may be sold or transferred outside the immediate family of the shareholder, it must be first offered to the company on the same terms as a written bona fide offer obtained by the shareholder. The company shall have thirty (30) days in which to accept or reject such offer of sale, and a shareholder shall not be obligated to sell his stock for less than the amount of such written bona fide offer.

(b) All members who are qualified to work, and who have subscribed for five (5) shares of stock and have paid at least Four Thousand Dollars (\$4,000.00) and have agreed to pay the balance upon a payroll deduction plan, shall have an equal chance to work subject to the following reasonable limitations:

(c) That it is recognized by all stockholders of the corporation that there is bound to be some increase and decrease in the number of employees required from time to time, and also changes caused by the death of a working member, his discharge for cause, his resignation, sale of stock, etc., which necessitates a priority list of employment. That all members desiring and qualified to work will be treated equally, as far as possible, and given employment.



in order of priority after expressing a desire to work.

(d) Should any shareholder be discharged for refusing to obey orders, or for drunkenness or disorderly conduct, he shall have the right, within forty-eight (48) hours thereafter, to place the matter as he chooses before the Board of Directors by reducing his claims to writing and leaving the same with the Secretary of the Corporation. The Board shall act promptly on such matters, and if the shareholder has been unjustly discharged, he shall be reinstated without loss of time. Should such employee fail, within forty-eight (48) hours, to place his contentions before the Board of Directors he shall forfeit his right to a hearing.

### **Section III**

#### **Certificates of Shareholders**

All certificates of shareholders shall be in such form as the Board of Directors may direct and shall be signed by the President or Vice-President and countersigned by the Secretary. Such certificates shall be numbered and dated and have written on the face thereof the name of the person to whom issued, with a blank form of transfer on the back thereof and shall contain provision for first offering same to the company in event of sale.

### **Section IV**

#### **Wages**

Basic wage scale of stockholders having employment rights shall be at a uniform rate to be determined by the board of directors provided that the board of directors shall reduce the stockholder wages to the extent required whenever it reasonably appears to them that it is necessary to do so in order to avoid a net loss for the corporation in any fiscal year.

### **Section V**

#### **Patronage Dividends**

##### **1. Time of Payment and Allocation**

Prior to the 10th day of April, 1967 and prior to the 10th day of each April thereafter, patronage dividends for the preceding fiscal year shall be computed, allocated to stockholder employees and paid

Amendments as of February 16, 1969.

### **3. Allocation and Part Payment**

Patronage dividends shall be allocated among individual stockholder employees in accordance with the value of the work done by each as shown by the adjusted hours each has worked during the fiscal year. Each stockholder employee shall be given a written notice which indicates the dollar amount allocated to him, and 30% thereof shall be paid him in cash at the time the notice is given.

### **4. Retained Patronage Dividends**

The 70% of patronage dividends retained by the corporation shall be credited to capital contribution accounts for the stockholder employees to whom allocated, and the resulting increase in capital shall be used in the corporation's business as the board of directors deem best. Such retained patronage dividends shall not bear interest and shall not constitute a debt of the corporation but shall be subordinate to all its debts and liabilities. When in the



to the extent herein provided.

## **2. Computation**

Total patronage dividends shall equal that part of the net income of the corporation, computed before taxes on income and without deduction for patronage dividends, which is attributable to work done for the corporation by the stockholder employees. Such part shall bear the same ratio to such net income as the adjusted hours worked by stockholder employees during the fiscal year bears to the sum of actual hours worked by nonstockholders plus the adjusted hours worked by stockholder employees. The term "adjusted hours" means actual hours worked increased so as to reflect the excess in value of stockholder labor over nonstockholder labor. For the fiscal year ending December 31, 1966, the corporation will adjust stockholder employees' hours by an increase of 30%, with said 30% representing the additional value of the labor of stockholders in worker-owned plywood plants that is recognized and accepted by the Internal Revenue Service in income tax cases. For years thereafter the adjustment to be used in arriving at adjusted hours shall be determined by resolution of the board of directors duly passed before the beginning of the fiscal year. If no such resolution is made before the beginning of any fiscal year, the most recent prior adjustment shall be used. No change in the adjustment shall be made as to any fiscal year after the year has begun.

## **3. Allocation and Part Payment**

Patronage dividends shall be allocated among individual stockholder employees in accordance with the value of the work done by each as shown by the adjusted hours each has worked during the fiscal year. Each stockholder employee shall be given a written notice which indicates the dollar amount allocated to him, and 20% thereof shall be paid him in cash at the time the notice is given.

## **4. Retained Patronage Dividends**

The 80% of patronage dividends retained by the corporation shall be credited to capital contribution accounts for the stockholder employees to whom allocated, and the resulting increase in capital shall be used in the corporation's business as the board of directors deem best. Such retained patronage dividends shall not bear interest and shall not constitute a debt of the corporation but shall be subordinate to all its debts and liabilities. When in the

Amendments as of February 16, 1969.

## **Section VI**

### **Meetings of Shareholders**

The first annual meeting of the shareholders shall be held on the 18th day of February, 1951, at the hour of ten (10:00) o'clock A. M., in the City of Astoria, Oregon, at a place to be selected by the Board of Directors, for the purpose of electing Directors, and transacting such other business properly coming before such meeting.

All annual meetings of the shareholders thereafter shall be held in the City of Astoria, Oregon, on the second Sunday of the Month of March of each year, at an hour and place to be determined by the Board of Directors.

Special meetings of the shareholders may be called at any time by a majority of the Directors who shall designate the time and place thereof.

Special meetings shall also be called whenever twenty-five (25) per cent of the shareholders shall

judgment of the board of directors there are cash reserves in excess of amounts which may be needed in the business, the corporation may pay all or part of the retained patronage dividends to those whom they have been allocated, or their assignees. Payments shall be made in allocations proportionately starting with the earliest year as to which there are unpaid retained patronage dividends except that the corporation may reserve from payment of allocations for any year the amount of increased taxes on income (including possible penalty but excluding interest) which will be payable if the patronage dividends for the year should not be deductible for such tax purposes.

#### **5. Consent of Stockholders to be Taxed**

Each person who hereafter becomes a stockholder of the corporation, and each person who is a stockholder on January 1, 1966, and who continues as a stockholder after that date, shall, by such act alone, consent that the amount of any distributions with respect to hours worked by him after December 30, 1965, which are made in written notices of allocation (as defined in 26 U.S.C. 1388) and which are received by him from the corporation will be taken into account by him at their stated dollar amounts in the manner provided in 26 U.S.C. 1385 (a) in the taxable year in which such written notices of allocation are received by him.

### **Section VI**

#### **Meetings of Shareholders**

The first annual meeting of the shareholders shall be held on the 18th day of February, 1951, at the hour of ten (10:00) o'clock A.M., in the City of Astoria, Oregon, at a place to be selected by the Board of Directors, for the purpose of electing Directors, and transacting such other business properly coming before such meeting.

All annual meetings of the shareholders thereafter shall be held in the City of Astoria, Oregon on the third Sunday of the Month of February of each year, at an hour and place to be determined by the Board of Directors.

Special meetings of the shareholders may be called at any time by a majority of the Directors who shall designate the time and place thereof.

Special meetings shall also be called whenever twenty-five (25) per cent of the shareholders shall



petition therefor in writing stating the object of the meeting. The business transacted at special meetings shall be confined to the object stated in the call. There shall be a regular business meeting at least once each year at a time and place to be designated by the Board of Directors.

Written or printed notice stating the place, the day and the hour of all meetings, both regular and special, shall be mailed not less than ten (10) nor more than thirty (30) days before the date of the meeting, to each shareholder at his last address as appears on the records of the corporation.

Fifty-one (51) per cent of the shareholders shall constitute a quorum for the transaction of the business at any meeting of the corporation. All voting shall be by ballot for the election of Directors and officers.

## **Section VII**

### **Directors and Officers**

At the first annual meeting of the shareholders to be held in February, 1951, there shall be elected seven (7) Directors, all of whom shall hold office for a period of one year. At each annual meeting thereafter there shall be elected seven (7) Directors. In case of a tie it shall be determined by lot.

At the election for Directors at the first annual meeting such election shall be in accordance with the laws of the State of Washington, whereby each shareholder shall have the right to multiply the number of votes to which he may be entitled by the number of Directors to be elected, and he may cast all such votes for one candidate or distribute them among any two or more candidates.

At all subsequent elections for Directors the same shall be held and conducted in accordance with the charter and by-laws of the company.

Voting rights are limited to shareholders owning at least five (5) shares of stock, and in no case shall any shareholder have more than one vote, although he may actually own more than five shares. PROVIDED, in voting for Directors each shareholder shall have one vote for each Director to be elected, but shall not cast more than one vote for any one candidate.

Directors shall be elected by ballot and shall hold office until their successors are elected and quali-





fied, unless such term of office has been terminated.

The officers of the company shall be elected by the Board of Directors and shall consist of a President, a Vice-President, a Secretary, and a Treasurer, all of whom must be shareholders.

The President shall preside at all Directors' and Stockholders' meetings and shall have general supervision over the affairs of the corporation and over the other officers; shall sign all deeds, mortgages, contracts, banking documents and similar obligations and stock certificates in the manner provided for hereinafter and shall have the same countersigned by the Secretary; and the President shall perform all other duties as are incident to his office.

The Vice-President shall assist the president in the performance of all his duties and in case of the absence or disability of the president, the vice-president shall perform his duties.

The Secretary shall issue notices of all Directors' and Stockholders' meetings, and shall attend and keep the minutes of the same, shall have charge of all corporate books, records and papers, shall be custodian of the corporate seal, shall attest with his signature and impress with the corporate seal all stock certificates and written contracts of the corporation, and shall perform all such other duties as are incident to his office.

The Treasurer shall have custody of all money and securities of the corporation, and shall perform all other duties as are incident to his office.

All officers shall be bonded in an amount to be fixed by the Board of Directors.

The officers of the company shall be elected by the Directors at their first meeting following the annual meeting of the shareholders and shall hold office for one year, or until their successors are elected and qualified, unless sooner terminated.

## **Section VIII**

### **Removal of Officers or Directors**

A majority of the shareholders shall have the power at any regular or special stockholders' meeting regularly called, to remove any officer or director if it is the best interests of the corporation.



## **Section IX**

### **Order of Business**

At all meetings of the members the order of business shall, so far as possible, be as follows:

1. Call of roll, officers and Directors, and presentation of proxies.
2. Reading of the notice of the meeting together with proof of the due publication or mailing thereof.
3. Presentation and reading of minutes of previous meetings of the members and the taking of necessary action thereon.
4. Report of Board of Directors.
5. Voting on amendments to Articles of Incorporation or By-Laws.
6. Presentation and consideration of, and acting upon reports of officers, Directors and committees.
7. Unfinished business.
8. New business.
9. At each annual meeting, the nomination and election of Directors.
10. Adjournment.

All meetings are to be conducted under Robert's Rules of Order.

## **Section X**

### **Special Provisions**

1. The Board of Directors shall meet once a month and at other intervals to be decided upon by a resolution, and may meet in special session at any time on call of the President, or any three Directors.

2. The Board of Directors shall employ and fix the compensation of a manager who shall be under the jurisdiction of the Board and who shall meet and confer with the Board and all committees in an advisory capacity. The manager may or may not be a shareholder, but he shall not be a member of the Board of Directors.

3. Any person who is called into the service of his country shall have his interests protected by appropriate action of the Board.

4. The office of Secretary-Treasurer may not be combined in one person. The Treasurer shall be responsible for all cash and personal assets of the



corporation and shall be bonded by a reliable surety company, and the premiums for said bond shall be paid by the corporation. The Board of Directors shall fix the amount of the bond.

5. There shall be no promotional stock issued, but every share of stock shall be paid for either in cash or the equivalent, as the Board of Directors shall decide.

6. No women shall be employed in the plant and no woman shareholder, or the wife or any other female relative of any shareholder, shall be employed in the office.

7. No money shall be paid out except by check and each shall be signed by those authorized by the Board of Directors.

8. The compensation for Directors shall not exceed \$5.00 per month unless authorized by the shareholders at a regular or special meeting. There shall be no compensation for officers as such unless authorized in writing by the Board of Directors.

9. The Board of Directors shall appoint two of its members as an auditing committee to audit all bills paid the preceding month.

10. The Board of Directors shall adopt an appropriate seal.

11. The Board of Directors shall be empowered to employ a superintendent who need not be a member and fix his rate of compensation, such superintendent to take his directions from the manager, and may also employ and fix the compensation of such other non-member employees as the Board may deem desirable.

12. The following expenditures or purchases shall require the approval of the stockholders in a manner hereinafter set forth before being made:

(a) Land other than timber land, buildings and mill equipment over the amount of \$10,000.

(b) New construction over the amount of \$10,000.

(c) Purchase of timber sales or timber lands from private owners when the total consideration paid will be over the amount of \$250,000.

(d) Purchase of stock in other corporations or interests in other businesses whenever the present purchase being considered will make the total interest owned by Astoria Plywood Corporation in said business or corporation exceed the amount of \$10,000.





The approval required shall be a majority of the stockholders present at any general or special meeting. In addition, purchases or expenditures of the items listed above not exceeding the sum of \$50,000 may be approved by a majority of the stockholders voting by mail when the proposed purchase or expenditure is fully explained in a letter with ballot attached prepared by the Board of Directors and mailed to each stockholder at his last known address as shown on the records of the corporation.

13. All deeds, mortgages, contracts, banking documents and similar obligations shall be signed by the President or Vice-President, and the Secretary when the specific action has been ordered by a resolution of the Board of Directors.

14. The Superintendent, Manager, or Foremen are ineligible for seats on the Board of Directors.

15. The corporation shall not enter into any contract with the Manager, Superintendent, or President, unless ratified by a 2/3 majority of the stockholders at any regularly called stockholders' meeting.

16. All stockholders' working time will be equalized to within 12 straight time hours for each calendar year. In computing working time all time off due to sickness or time taken off by the stockholder himself will be counted as time worked, and cannot be made up. This amendment will supersede all working rules on equalization.

## **Section XI**

### **Annual Audit**

The Business Manager, Secretary and Treasurer shall submit to the Board of Directors at each Directors' meeting, a complete business statement of the affairs of the corporation. A complete annual audit shall also be made by a competent certified accountant prior to the date of each annual meeting of the shareholders, at which meeting said report shall be presented in full.

## **Section XII**

The Directors may pay dividends on the paid capital stock at such rates as the Directors may determine, after setting aside reasonable reserves for all corporate purposes. In case any subscription for capital stock is not fully paid at the time any



dividend is declared the dividend which would be payable upon the fully paid up portion of such subscription shall be applied upon the unpaid balance of such subscription.

### **Section XIII**

#### **Amending the By-Laws**

These By-Laws may be amended at any time by the following procedure:

At any annual meeting of the shareholders or at any special meeting thereof called for such purpose.

Or the Board of Directors may draft the proposed amendment to the By-Laws, leaving a space at the bottom where the shareholder may vote "yes" or "no" thereon and sign his name.

Such proposed amendment shall then be mailed to each shareholder at his last known address, and if a majority of the shareholders voting by mail, vote for the proposed amendment to the By-Laws, the same shall be declared adopted.

In such respects as the Articles of Incorporation or any amendment thereof may alter, change or amend any of the By-Laws of this corporation such Articles shall have precedence over the By-Laws.

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